



To the Honorable Council  
City of Norfolk, Virginia

August 23, 2011

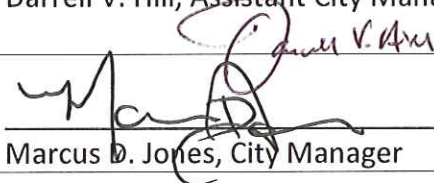
From: David S. Freeman, AICP  
Director of General Services

Subject: Lease Agreement of  
Property known as 707 and 711-713  
Granby Street for the benefit of  
Norfolk Criminal Justice Services

Reviewed: Darrell V. Hill, Assistant City Manager

Ward/Superward: 2 & 6

Approved:

  
\_\_\_\_\_  
Marcus D. Jones, City Manager

Item Number:

R-9

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** Seven Eleven Granby Street, LLC and 711 Granby Street, LLC  
109 East Main Street, Suite 200  
Norfolk, VA 23510

III. **Description:**  
This agenda item is to approve a five-year Lease Agreement on behalf of Norfolk Criminal Justice Services (NCJS) for the use of property known as 707 Granby Street and 711-713 Granby Street.

IV. **Analysis**  
This Ordinance is for the consolidation of two Lease Agreements for property at 731 Monticello Avenue and 311 E. 24<sup>th</sup> Street, the leases for which expired on June 30, 2011 and, in the case of 311 E. 24<sup>th</sup> Street, the property has been sold for new owner occupancy. NCJS has been permitted to extend at the current locations for an interim period until the necessary remodeling and renovations have been completed at the new address. The term of the Lease Agreement begins October 1, 2011 and terminates September 30, 2016. The agreement provides for five (5) additional one-year option terms for which written notice must be given ninety (90) days in advance of any expiration of a term. In the event that this program is ended by the State before the end of lease term, the lease may be terminated upon sixty (60) days written notice.

**V. Financial Impact**

The rent for use by NCJS is \$6,275.75 per month which is the same combined rent paid during Fiscal Year 2011 (\$75,309.00 annually), subject to the annual appropriation of funds by the Commonwealth of Virginia. Additionally, the NCJS is responsible for providing its own janitorial service. The Landlord will pay for all costs of remodeling and renovations, all taxes, utilities, heating and cooling, and trash collection. After the first year of the lease term, the rent will increase four percent (4%) per year of the initial term, or any extensions.

**VI. Environmental**

There are no known environmental conditions associated with this Lease Agreement.

**VII. Community Outreach/Notification**

Public notification for this agenda item was conducted through the City of Norfolk's agenda notification process.

**VIII. Board/Commission Action**

N/A

**IX. Coordination/Outreach**

Office of Real Estate Management, City Attorney's Office, Office of Norfolk Criminal Justice Services

Supporting Material from the City Attorney's Office and the Office of Real Estate:

- Ordinance
- Lease Agreement between Seven Eleven Granby Street, LLC and 711 Granby Street, LLC and City of Norfolk

08/04/11 ts

Form and Correctness Approval: *WR*By *Wayne Ringer*  
Office of the City Attorney

NORFOLK, VIRGINIA

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

\$ 75,309.-207528692/8693  
Account*John W. Teller*  
Director of Finance8/4/11  
Date*BM***ORDINANCE No. 44,349**

**R-9**

AN ORDINANCE APPROVING THE LEASE OF CERTAIN PROPERTY LOCATED AT 707 AND 711-713 GRANBY STREET, BY THE CITY OF NORFOLK, FOR A FIVE-YEAR TERM WITH AN ADDITIONAL FIVE ONE-YEAR TERMS RENEWAL OPTION, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT ON BEHALF OF THE CITY.

- - -

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the lease, by the City, of a portion of the property known as 707 AND 711-713 Granby Street, consisting of approximately 6,600 square feet, is hereby approved.

Section 2:- That the term of the lease shall be for a period of five (5) years with an option to renew for five additional one-year terms.

Section 3:- That the City Manager is authorized to negotiate and execute a Lease Agreement, substantially in the same form and terms as shown in Exhibit A, satisfactory to the City Attorney, and consistent with this ordinance.

Section 4:- That this ordinance shall be in effect from and after its adoption.

Adopted by Council August 23, 2011  
Effective August 23, 2011

TRUE COPY  
TESTE:

R. BRECKENRIDGE DAUGHTREY, CITY CLERK

BY: \_\_\_\_\_  
DEPUTY CITY CLERK

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2011, by and between **SEVEN ELEVEN GRANBY STREET, L.L.C.**, and **711 GRANBY STREET, L.L.C.**, hereinafter referred to collectively as "Lessor" and the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as "Lessee".

**WITNESSETH:**

Lessor, for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained, to be paid, kept and performed by Lessee, does hereby demise and lease unto Lessee, and Lessee does hereby lease from Lessor, the property known as 707 Granby Street and 711-713 Granby Street Street, in Norfolk, Virginia, hereinafter referred to as "Premises".

Lessor agrees to build out and remodel approximately 6,600 square feet of office space, using standard building materials.

1. **TERM OF LEASE.**

This lease agreement is for a term of five (5) years, beginning September 1, 2011, (Commencement Date) and ending August 31, 2016 (Termination Date). Lessee shall have the option to renew this lease agreement for five successive one-year terms. Lessee shall notify Lessor of its intention to renew the lease agreement, in writing, at least ninety (90) days prior to its expiration.

In the event that funding for the Local Offender and Treatment Supervision Program is ended by the State of Virginia or the City of Norfolk before the expiration of the lease agreement, the lease agreement may be terminated upon sixty (60) days written notice by Lessee.

2. **RENT.**

Lessee agrees to pay Lessor, at 109 East Main Street, Suite 200, Norfolk, Virginia 23510, for

the first year of the term the annual rent of Seventy-Five Thousand Three Hundred Nine Dollars (\$75,309.00) in monthly installments of Six Thousand Two Hundred Seventy-Five Dollars and Seventy-Five Cents (\$6,275.75) for the lease of the Premises, subject to the annual appropriation of funds by the Commonwealth of Virginia or by the Norfolk City Council, said sum to be due and payable on the first day of each month, beginning on the date of occupancy. If occupancy is not on the first day of the month, the rent for that month will be prorated.

Beginning September 1, 2012, the rent shall be increased by four percent (4%), and on September 1 of each succeeding year by four percent (4%) of the prior year's rent for the duration of this lease agreement and any extension thereof.

3. **DEFAULT ON PAYMENT OF RENT.**

If any monthly installment of rent herein called for remains overdue and unpaid for ten (10) days, Lessee shall pay a late charge of five percent (5%) of the monthly installment for each month overdue. If any monthly installment of rent remains overdue and unpaid for thirty (30) days, Lessor may, at its option, at any time during such default, declare this lease agreement terminated and take possession of the Premises.

4. **TAXES.**

Lessor shall pay all taxes and assessments imposed on the Premises by the State, City or other lawful governmental authority.

5. **SERVICES.**

Lessor agrees to supply electricity, heating and cooling, trash collection, water and sewage services to the Premises. The Lessee's business hours are from 7:00 a.m. until 6:00 p.m. Lessor shall make sure that the electricity, heating or cooling, as appropriate, will be running during business hours, with the ability of the Lessee to override the cut-off during non-business hours.

Lessee shall provide custodial cleaning services at its own cost and expense.

6. **REPAIRS AND MODIFICATIONS.**

Lessor shall maintain all public or common areas in a condition free from all physical and fire hazards.

The parties agree that during the term of this lease, Lessor shall be required to do only the following, in the matter of keeping the building and the premises in good repair: keep the exterior walls and the roof of the building in proper and substantial repair and maintain the HVAC and electrical systems, the plumbing, the sidewalks, the entrance ways, and the parking area.

Lessor, at its sole discretion, may lease the second floor of the building, which is not part of the Premises leased to Lessee, to another tenant. Should Lessor decide to do so, a portion of the Premises will have to be used to provide stairs and a common area for access to the second floor; Lessee will have the option to have its rent reduced in proportion to the square footage lost to the Premises, or to add an area of the second floor to the Premises to make up for the lost space.

6. **RIGHT OF ENTRY TO REPAIR.**

Lessor reserves the right for its agents and employees to enter upon the Premises at any reasonable time to make repairs, alterations or improvements, provided however, that such repairs, alterations or improvements shall not unreasonably interfere with Lessee's business operations. Such right to enter shall also include the right to enter upon the Premises for the purpose of inspection.

8. **INSURANCE.**

Lessor shall adequately insure the building and all public or common areas for fire, casualty, hazard, and liability. Lessee shall maintain the Premises in a hazard free condition. Lessee shall be responsible for liability within the Premises and insuring its personal property.

9. **DAMAGE OR DESTRUCTION BY FIRE OR NATURAL CAUSES.**

If, during the term of this Lease, Premises, or any part thereof, including portions of the building not occupied by the Lessee, shall be destroyed by fire, storm, or other casualty, or so damaged thereby that they cannot be repaired with reasonable diligence within one hundred eighty (180) days, this lease agreement shall terminate as of the date of such destruction or damage. However, if the building can be repaired within one hundred and eighty (180) days, with reasonable diligence, it shall be repaired by Lessor, as quickly as is reasonably possible, and this lease shall remain in full force and effect, provided however, that rent shall be abated for any part of said building which is rendered unfit for occupancy for the period that such unfitness continues.

10. **NOTICES.**

Whenever it is provided herein that notice, demand, request or other communication shall or may be given to or served upon either of the parties, or if either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or Premises, each such notice, demand, request or other communication shall be in writing, and, any law or statute to the contrary notwithstanding, shall be given or served as follows:

(a) to **Lessee**, by hand delivery, overnight courier or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed to:

City of Norfolk  
Office of Real Estate  
232 East Main Street, Suite 250  
Norfolk, Va. 23510  
ATTN: Manager of Real Estate

(b) to **Lessor**, by hand delivery, overnight courier or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed to:

Seven Eleven Granby Street, L.L.C.

109 E. Main Street, Suite 200  
Norfolk, Virginia 23510

or at such other address as Lessor may from time to time designate by notice given to Lessee in the manner herein provided.

Every notice, demand, request or other communication hereunder shall be deemed to have been given or served at the time that the same shall be hand delivered or deposited in the United States mail, postage prepaid, in the manner aforesaid.

11. **CAPTIONS.**

The captions to the sections of this lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this lease or any part thereof nor in any way affect this lease or any part thereof.

12. **ENTIRE AGREEMENT.**

This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties.

**IN WITNESS WHEREOF**, the parties have caused this lease to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

**THE CITY OF NORFOLK**

By: \_\_\_\_\_  
City Manager

**ATTEST:**

\_\_\_\_\_  
City Clerk



**SEVEN ELEVEN GRANBY STREET, L.L.C.  
& 711 GRANBY STREET, L.L.C.**

By: \_\_\_\_\_  
Peter G. Decker, Jr., Manager

**APPROVED AS TO CONTENTS:**

\_\_\_\_\_  
Manager of Real Estate

**APPROVED AS TO FORM  
AND CORRECTNESS:**

\_\_\_\_\_  
Deputy City Attorney

**CERTIFICATION**

I hereby certify that the money for this Agreement is in the City Treasury to the credit of the fund from which it is to be drawn and not appropriated for any other purpose.

ACCOUNT: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

CONTRACT NO.: \_\_\_\_\_

VENDOR NO.: \_\_\_\_\_

BUSINESS LICENSE NO.: \_\_\_\_\_

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
Date